

SNC Former plans factory, dividend

SNC Former Plc, the SET-listed maker of air-conditioner parts, plans to spend 700 million baht to boost production capacity and increase profit margin.

Chairman Somchai Thaisanguanvorakul said a new factory will be built in Rayong province, with 500 million baht used to make heat exchangers and the rest going to machines for plastic parts, auto parts and electronics. Funding will come from cash flow and bank loans.

SNC aims for revenue growth of 20% after posting 7.65 billion baht last year, driven by air-conditioner parts, auto parts and electronic goods.

The company also plans to pay a dividend of 1.60 baht for 2012 operations even though the company missed their revenue and profit targets due to the previous year's flood crisis. Its 2012 revenue of 7.65 billion baht represented an 8% decline from 2011, while net profit was 494 million, down by 5%.

Mr Somchai said revenue usually grows by 20% a year, so 2013 will mark a return to normal. Net profit margin will top last year's 6.7% but not reach double digits.

Revenue from auto parts should increase to 20% of the total from 12%.

Mr Somchai said the recent daily minimum wage hike will raise SNC's operating costs by 0.5%.

Shares of SNC closed yesterday on the SET at 25 baht, down one baht, in trade worth 27.1 million baht.